

PUBLIC DISCLOSURE

January 22, 2018

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Amalgamated Bank
Certificate Number: 622

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New York, New York 10001

Federal Deposit Insurance Corporation
Division of Depositor and Consumer Protection
New York Regional Office

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New York, New York 10118

This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory**.

PERFORMANCE LEVELS	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory		X	X
Low Satisfactory	X		
Needs to Improve			
Substantial Noncompliance			
* The Lending Test is weighted more heavily than the Investment and Service Tests when arriving at an overall rating.			

The Lending Test is rated Low Satisfactory.

- The bank's lending levels reflect good responsiveness to assessment area credit needs.
- The bank made an adequate percentage of loans in its assessment areas.
- The geographic distribution of loans reflects good penetration throughout the assessment areas.
- The distribution of borrowers reflects, given the product lines offered by the bank, poor penetration among retail customers of different income levels.
- The bank makes limited use of innovative and flexible lending programs in order to serve assessment area credit needs.
- The bank is a leader in making community development loans.

The Investment Test is rated High Satisfactory.

- The bank has a significant level of qualified community development investments and grants.
- The bank exhibits good responsiveness to credit and community economic development needs.
- The bank rarely uses innovative or complex investments to support community development initiatives.

The Service Test is rated High Satisfactory.

- Delivery systems are reasonably accessible to essentially all portions of the assessment area.
- To the extent changes were made, the bank's record of opening and closing branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.
- Services and business hours do not vary in a way that inconveniences certain portions of the assessment area, particularly low- and moderate-income geographies and/or individuals.
- The bank provides a relatively high level of community development services.

SCOPE OF EVALUATION

General Information

This evaluation covers the period from the prior evaluation dated November 17, 2014, to the current evaluation dated January 22, 2018. Examiners used Interagency Large Institution Community Reinvestment Act (CRA) Examination Procedures to evaluate the bank's CRA performance. Large Institution CRA Examination Procedures include three tests: the Lending Test, the Investment Test, and the Service Test. Examiners weight the performance under the Lending Test more heavily than performance under the Investment and Service Tests when arriving at an overall rating. This evaluation does not include any lending activity performed by affiliates.

Loan Products Reviewed

Amalgamated Bank (Amalgamated) originates both home mortgage and small business loans. Examiners determined that home mortgage loans were the major product line due to the larger loan volume when compared to small business lending during the evaluation period. This conclusion considered the business strategy and the number and dollar volume of loans originated. Bank records indicated that the lending focus and product mix remained consistent throughout the evaluation period.

Home mortgage loans include home purchase loans, home improvement loans, and refinance loans reported in accordance with the Home Mortgage Disclosure Act (HMDA). Examiners considered all 1-4 family loans and multifamily loans originated or purchased by the bank and reported on the 2016 and 2017 HMDA Loan Application Registers (LARs). For 2016, the bank originated 384 HMDA loans totaling \$216.1 million. For 2017, the bank originated 388 HMDA loans totaling \$284.9 million. This evaluation presents aggregate information for 2016, the most recent year for which aggregate data is available, and demographic information using 2010 U.S. Census data and 2015 American Community Survey data.

In addition, examiners considered all small business loans reported on the 2016 and 2017 CRA Loan Registers. Small business loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or classified as commercial and industrial loans. For 2016, the bank originated eight small business loans totaling \$925,000. For 2017, the bank originated one small business loan totaling \$909,000.

Amalgamated's record of originating 1-4 family loans contributed more weight to overall conclusions due to the larger loan volume when compared to multifamily and small business lending during the review period. Small business loans do not represent a major product line and loan volume was minimal during the review period. Therefore, they provided no material support for conclusions and ratings and examiners also did not include small business loans in the lending analysis. Examiners did not include small farm loans within the lending analysis as the bank did not originate any small farm loans during the review period. Examiners did not include consumer loans within the lending analysis as the bank did not report or present consumer loans for consideration.

The evaluation placed the greatest weight on the performance in Amalgamated's New York assessment area, as this area accounts for a majority of branches, deposits, and lending activity. The following table outlines the distribution of 1-4 family, multifamily, and small business loans among the two assessment areas.

1-4 Family, Multifamily, Small Business Loan Distributions – Combined Assessment Area								
Assessment Area	1-4 Family Loans		Multifamily Loans		Small Business Loans		Total Loans	
	#	%	#	%	#	%	#	%
New York	386	88.5	8	44.4	4	57.1	398	86.3
District of Columbia	50	11.5	10	55.6	3	42.9	63	13.7
Combined Assessment Area	436	100.0	18	100.0	7	100.0	461	100.0
<i>Source: 2016 and 2017 HMDA LARs and CRA loan registers</i>								

For the Lending Test, examiners reviewed the number and dollar volume of home mortgage loans. While the number and dollar volume of loans are presented, examiners emphasized performance by number of loans because the number of loans is a better indicator of the number of individuals served.

Examiners reviewed and analyzed community development loans, community development investments, grants, donations, and services from November 17, 2014, through January 22, 2018.

DESCRIPTION OF INSTITUTION

Background

Established in 1923, Amalgamated is a state-chartered, interstate commercial bank headquartered in New York, New York. The bank is a subsidiary of Workers United, a bank holding company headquartered in Philadelphia, Pennsylvania. Amalgamated is the largest majority union-owned bank in the United States. Amalgamated's mission is to be the preeminent bank of progressive people, organizations, businesses, and labor.

The institution received a Satisfactory rating at its previous FDIC Performance Evaluation, dated November 17, 2014, also based on Interagency Large Institution Examination Procedures.

Operations

Amalgamated's corporate divisions include Consumer Banking, Business Development, Investment Management, and Commercial Lending. The bank provides a wide range of financial products and services to retail and commercial customers. Product offerings include consumer and business deposit accounts, and residential and commercial loans. Management discontinued consumer lending as of December 8, 2016, and no longer offers consumer loans, consumer lines of credit, personal lines of credit, and overdraft lines of credit. Management now focuses on increasing residential lending through its online presence. The bank no longer utilizes PHH Mortgage to originate loans and instead, originates loans internally. Management also introduced new residential lending products and features to support this strategy. Other services offered by the bank include automated teller machines (ATMs) online banking with bill pay, direct deposit, remote deposit, and telephone banking. Investment and insurance products are offered through Amalgamated Investment Services.

Amalgamated operates 13 full-service branches, including 12 branches in New York and 1 branch in the District of Columbia. Since the prior CRA evaluation, the bank closed 11 branches, including 8 in New York, 1 in New Jersey (December 2015), 1 in California (April 2017), and 1 in Nevada (January 2015). Three of the closed branches were in moderate-income census tracts, six were in middle-income census tracts, and two were in upper-income census tracts.

Ability and Capacity

Assets totaled approximately \$4.1 billion as of September 30, 2017, and included total loans of approximately \$2.7 billion and securities totaling \$1 billion. The bank reported total deposits of \$3.1 billion with a net loan-to-deposit ratio of 87.3 percent. The overall loan portfolio remains similar in composition to the last evaluation. The following table illustrates the loan portfolio as of September 30, 2017.

Loan Portfolio Distribution as of 09/30/2017		
Loan Category	\$(000s)	%
Construction and Land Development	10,317	0.4
1-4 Family Residential	762,928	28.0
Multifamily (5 or more) Residential	859,157	31.5
Commercial Real Estate	361,052	13.2
Total Real Estate Loans	1,993,454	73.1
Commercial and Industrial	651,808	23.9
Consumer	32,453	1.2
Other	50,936	1.9
Less Unearned Income	833	0.1
Total Loans	2,727,818	100.0
<i>Source: Reports of Condition and Income</i>		

Amalgamated is primarily a real estate lender, as loans secured by real estate represent 73.1 percent of the loan portfolio. Multifamily residential loans comprise 31.5 percent of the portfolio, while loans secured by 1-4 family residential real estate comprise 28.0 percent of the portfolio.

Examiners did not identify any financial, legal, or other impediments that affect the bank's ability to meet assessment area credit needs.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires each financial institution to define one or more assessment areas within which its CRA performance will be evaluated. The FDIC evaluates the institution's CRA performance based on the defined assessment areas. The combined assessment area comprises two individual assessment areas located within three states (New York, New Jersey, and Maryland) and the District of Columbia. The assessment areas conform to the requirements of the CRA regulation and do not arbitrarily exclude any low- and moderate-income geographies.

1) New York: This assessment area consists of 13 contiguous counties: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, and Westchester Counties in New York; Bergen, Essex, Hudson, Passaic, and Union Counties in New Jersey. The area is part of the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area (MSA) #35620. While the bank no longer operates a branch in New Jersey, this assessment area is wholly encompassed within multi-state MSA #35620.

2) District of Columbia: This assessment area consists of the District of Columbia, Prince George's, and Montgomery Counties in Maryland. The area is part of the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA #47900. While the does not operate a branch in Maryland, this assessment area is wholly encompassed within multi-state MSA #35620.

The following table shows the distribution and concentration of deposits, full-service branches, and automated teller machines (ATMs) in the two individual assessment areas and the combined assessment area.

Deposit, Branch, and ATM Distribution by Count								
Assessment Area	Census Tracts in Assessment area		Deposits (000s)		Branches		ATMs	
	#	%	\$	%	#	%	#	%
New York	3,502	85.1	2,586,904	83.4	12	92.3	12	85.7
District of Columbia	612	14.9	514,858	16.6	1	7.7	2	14.3
Combined Assessment Area	4,114	100.0	3,101,762	100.0	13	100.0	14	100.0
<i>Source: 2010 Census Data, 9/30/17, Bank data.</i>								

Refer to the separate state rating sections of this evaluation for a detailed description of each assessment area.

CONCLUSIONS ON PERFORMANCE CRITERIA

LENDING TEST

The Lending Test evaluates an institution's record of helping to meet the credit needs of its assessment areas by considering an institution's home mortgage, small business, and community development lending. Examiners evaluated Amalgamated's lending performance pursuant to the following criteria: 1) the volume of lending activity; 2) the proportion of lending within the assessment area; 3) the geographic distribution of lending within the assessment area; 4) the distribution of loans among borrowers of different income levels within the assessment area; 5) the use of innovative or flexible lending practices; and 6) the level of community development lending.

The Lending Test rating is "Low Satisfactory." This rating is driven primarily by performance in the New York assessment area, which is the most heavily weighted area.

Lending Activity

Lending levels reflect good responsiveness to assessment area credit needs. This performance criterion considered the volume of lending in relation to the bank's financial condition and resources.

Amalgamated is an active lender. As of September 30, 2017, the bank reported total assets of \$4.1 billion, of which \$2.7 billion, or 67.0 percent, consisted of loans. The loan portfolio is concentrated in real estate secured loans, most of which is secured by 1-4 family and multifamily residential properties.

In 2016 and 2017, the bank originated 436 1-4 family loans totaling \$194.6 million and 18 multifamily loans totaling \$76.2 million inside its assessment area. Management has increased its focus on 1-4 family residential lending during the evaluation period. There has been an increase in both the number and dollar volume of 1-4 family residential loans since the prior CRA evaluation period, at which time the bank originated 305 loans totaling \$82.5 million. There is a high level of competition for 1-4 family residential loans. In 2016, 982 lenders reported 300,253 1-4 family loans originated or purchased within the combined assessment area. Amalgamated ranked 174th with a market share of 0.1 percent. In contrast, there has been a decrease in the number and dollar volume of multifamily residential loans from the prior CRA evaluation, at which time the bank originated 82 loans totaling \$346.6 million.

In addition, the bank extended 66 community development loans totaling \$376.5 million, the majority of which supported affordable housing, an identified credit need in the combined assessment area.

Small business loans are not a primary product for the bank. In 2016 and 2017, Amalgamated originated seven small business loans totaling \$925,000 inside its combined assessment area.

Overall, the volume of loans extended by Amalgamated inside its combined assessment area was good given the resources, business strategy, and assessment area competition.

Assessment Area Concentration

Amalgamated originated an adequate percentage of loans in the combined assessment area. The following table illustrates the distribution of 1-4 family, multifamily, and small business loans, by number and dollar volume, inside and outside the combined assessment area. During the evaluation period, the bank originated 59.0 percent and 54.0 percent of total loans by number and dollar amount, respectively, within the combined assessment area. The percentage of loans inside the combined assessment area is somewhat negatively impacted by the 111 home mortgage loans in California during the evaluation period. The bank maintained a branch presence there until April 2017.

Lending Inside and Outside of the Assessment Area										
Loan Category	Number of Loans				Total #	Dollars Amount of Loans \$(000s)				Total \$(000s)
	Inside		Outside			Inside		Outside		
	#	%	#	%		\$	%	\$	%	
HMDA Reportable 1-4 Family										
2016	221	58.9	154	41.1	375	95,735	53.6	82,815	46.4	178,550
2017	215	57.3	160	42.7	375	98,905	46.4	114,266	53.6	213,171
Subtotal	436	58.1	314	41.9	750	194,640	49.7	197,081	50.3	391,721
HMDA Reportable Multifamily										
2016	7	77.8	2	22.2	9	29,550	78.7	7,975	21.3	37,525
2017	11	84.6	2	15.4	13	46,674	65.0	25,100	35.0	71,774
Subtotal	18	81.8	4	18.2	22	76,224	69.7	33,075	30.3	109,299
Small Business										
2016	7	87.5	1	12.5	8	925	82.2	200	17.8	1,125
2017	0	0.0	1	100.0	1	0	0.0	909	100.0	909
Subtotal	7	77.8	2	22.2	9	925	45.5	1,109	54.5	2,034
Total	461	59.0	320	41.0	781	271,789	54.0	231,265	46.0	503,054
Source: 2016 and 2017 HMDA and CRA Reported Data										

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the combined assessment area. The evaluation focused on the geographic distribution of 1-4 family and multifamily loans, as the bank originated only seven small business loans in the combined assessment area during the review period. Both 1-4 family and multifamily loans compared well to demographics and aggregate data.

Borrower Profile

The distribution of borrowers reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels. The evaluation focused on the borrower distribution of 1-4 family loans, as the bank originated only seven small business loans in the combined assessment area during the review period. Borrower income information is not obtained or reported for multifamily loans. The distribution of 1-4 family loans to low- and moderate-income borrowers was lower than demographics and aggregate data.

Innovative or Flexible Lending Practices

The bank makes limited use of innovative and flexible lending programs in order to serve assessment area credit needs. Examiners assessed these programs according to the following criteria: 1) the degree in which the loans serve low- and moderate-income borrowers in new ways or serve creditworthy borrowers not previously served by the institution; and 2) the success of these products in terms of number and dollar volume originated during the review period.

Amalgamated originated 34 loans totaling \$9.5 million using innovative and flexible loan programs, primarily within the New York assessment area. The previous CRA evaluation did not present any innovative or flexible loan program originations. Additional details for innovative and flexible lending programs are contained within the sections for the individual assessment areas.

Community Development Lending

Amalgamated is a leader in making community development loans within its combined assessment area. Community development loans totaled \$376.5 million representing 13.8 percent of total loans (\$2.7 billion) and 9.3 percent of total assets (\$4.1 billion) as of September 30, 2017. This is a significant increase from the previous CRA evaluation at which time 45 community development loans totaled \$146.4 million, representing 7.7 percent of total loans (\$1.9 billion) and 4.1 percent of total assets (\$3.6 billion) as of September 30, 2014.

Amalgamated was responsive to community development needs and opportunities within its combined assessment area; therefore, examiners considered one community development loan originated in Philadelphia, Pennsylvania. Amalgamated originated a \$7.6 million multifamily loan that promoted affordable housing and was originated in the broader statewide or regional area that includes the combined assessment area. The loan financed two properties that qualify as affordable housing based on the rents charged in each building.

The following table shows community development loans by rated area and purpose. Additional details relating to community development loans are contained within the sections for the individual assessment areas.

Community Development Lending by Rated Area												
Rated Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
New York	39	308,257	9	11,800	4	11,000	2	5,500	0	0	54	336,557
District of Columbia	9	28,234	1	1,000	1	3,150	0	0	0	0	11	32,384
Broader Statewide/ Regional Area	1	7,600	0	0	0	0	0	0	0	0	1	7,600
Total	49	344,091	10	12,800	5	14,150	2	5,500	0	0	66	376,541
<i>Source: Bank Records</i>												

INVESTMENT TEST – OVERALL

The Investment Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) through its use of qualified investments that benefit the assessment area(s) or a broader statewide or regional area that includes the institution's assessment area(s). The evaluation assessed the institution's investment performance pursuant to the following criteria: 1) the dollar amount of qualified investments; 2) the innovativeness or complexity of qualified investments; 3) the responsiveness of qualified investments to credit and community development needs; and 4) the degree to which the qualified investments are not routinely provided by private investors.

An overall "High Satisfactory" rating is assigned under the Investment Test. This rating is driven primarily by performance in the most heavily weighted rated area (New York).

Investment Activity

Amalgamated has a significant level of qualified community development investment and grants. In total, the bank had qualified investments and grants totaling \$59.6 million. Amalgamated has 44 investments totaling \$58.8 million, which includes 35 qualified investments from prior periods and 9 new qualified investments since the prior evaluation. Further, since the prior evaluation, Amalgamated made 181 donations or grants totaling \$786,000. As of September 30, 2017, total investments and grants equaled 1.5 percent of total assets (\$4.1 billion) and 5.7 percent of total securities (\$1 billion). This is an increase from the previous CRA evaluation, at which time investments and grants totaled \$43.8 million and equaled 1.2 percent of total assets and 3.1 percent of total securities.

Summarized in the table below are qualified investments by rated area and community development purpose. Additional details for investments and donations are contained within the sections for the individual assessment areas.

Qualified Investments by Area												
Area	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
New York	61	35,490	103	1,401	27	8,474	7	20	0	0	198	45,385
District of Columbia	3	4,501	19	171	14	9,562	0	0	0	0	36	14,234
Total	64	39,991	122	1,572	41	18,036	7	20	0	0	234	59,619
<i>Source: Bank Records</i>												

Responsiveness to Credit and Community Development Needs

Amalgamated exhibits good responsiveness to credit and community economic development needs. Qualified investments and grants are responsive to existing assessment area credit needs by supporting affordable housing.

Innovativeness or Complexity of Qualified Investments

The bank rarely uses innovative and/or complex investments to support community development initiatives. Amalgamated's existing and new investments primarily include mortgage-backed securities (MBSs). Although MBS investments help promote affordable housing, they are not innovative or complex.

SERVICE TEST – OVERALL

The Service Test evaluates the institution's record of helping to meet the credit needs of its assessment area(s) by analyzing both the availability and effectiveness of the institution's systems for delivering retail banking services and the extent and innovativeness of its community development services. The institution's retail banking services are evaluated pursuant to the following criteria: 1) the distribution of the institution's branches among geographies of different income levels; 2) the record of opening and closing branches, particularly branches located in low- and moderate-income geographies or that primarily serve low- or moderate-income individuals; 3) the availability and effectiveness of alternate systems for delivering retail banking services; and 4) the range of services provided in low-, moderate-, middle-, and upper-income geographies and the degree to which the services are tailored to meet the needs of those geographies.

In addition, the institution's community development services are evaluated pursuant to the following criteria: 1) the extent of community development services offered and used; 2) the innovativeness of community development services including whether they serve low- and moderate-income customers in new ways or serve groups of customers not previously served; 3) the degree to which they serve low- and moderate-income area or individuals; and 4) their responsiveness to available opportunities for community development services.

The Service Test rating is "High Satisfactory." This rating is driven primarily by performance in the most heavily weighted rated area (New York).

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the assessment area. Amalgamated serves the combined assessment area with 13 full-service branches. Alternative delivery systems such as ATMs, as well as online banking, direct deposit, remote deposit, and telephone banking, are available to increase accessibility of retail banking services. Additional details of branching and ATM distribution and alternative delivery systems are contained within the sections for the individual assessment areas.

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Since the previous CRA evaluation, Amalgamated closed 11 branches, including 3 branches located in moderate-income census tracts. Additional details of changes in branch locations are contained within the sections for the individual assessment areas.

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Branch hours are convenient and comparable to other local financial institutions. General banking hours are 9:00 AM to 4:00 PM, Monday through Friday. Ten branches offer Saturday hours. All branches include ATMs.

Community Development Services

The bank provided a relatively high level of community development services during the evaluation period, primarily through financial literacy workshops and through Board of Director participation and committee involvement with community development organizations. The following table details community development services by rated area and community development purpose. Additional details for each assessment area are contained within the sections for the individual assessment areas.

Community Development Services by Area and Purpose						
Area	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
New York	32	204	1	6	0	243
District of Columbia	2	18	0	0	0	20
Total	34	222	1	6	0	263
<i>Source: Bank Records</i>						

DISCRIMINATORY OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

Examiners did not identify any evidence of discriminatory or other illegal credit practices; therefore, this consideration did not affect the institution's overall CRA rating.

NEW YORK

CRA RATING FOR NEW YORK: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: High Satisfactory

SCOPE OF EVALUATION

Refer to the scope comment for the overall performance. Examiners conducted a full-scope review of Amalgamated's performance in its New York assessment area. The bank no longer maintains a branch presence in New Jersey; however, this section also includes an analysis of loans and activities within New Jersey that are part of the assessment area and within the multistate New York-Newark-Jersey City, NY-NJ-PA MSA #35620.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN NEW YORK

Economic and Demographic Data

The New York assessment area comprises all 3,502 census tracts of Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, and Westchester Counties in New York and Bergen, Essex, Hudson, Passaic, and Union Counties in New Jersey. Bronx, Kings, New York, Queens, Richmond, Rockland, and Westchester Counties in New York and Bergen, Hudson, and Passaic Counties in New Jersey are located in the New York-White Plains-Wayne, NY-NJ Metropolitan Division (MD) #35614. Essex and Union Counties are located in the Newark, NJ-PA MD #35084, while Nassau County is located in the Nassau-Suffolk, NY MD #35004. All MDs are located in the larger New York-Newark-Jersey City, NY-NJ-PA MSA #35620.

The assessment area census tracts reflected the following income designations according to the 2010 U.S. Census:

- 522 low-income tracts,
- 855 moderate-income tracts,
- 1,001 middle-income tracts,
- 1,038 upper-income tracts, and
- 86 tracts with no income designation.

The following table illustrates select demographic characteristics of the New York assessment area based on the 2015 American Community Survey (ACS) data.

Demographic Information of the Assessment Area						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	3,502	14.9	24.4	28.6	29.6	2.5
Population by Geography	14,506,234	16.5	24.9	26.8	31.5	0.3
Housing Units by Geography	5,683,321	15.4	23.6	26.1	34.7	0.2
Owner-Occupied Units by Geography	2,239,549	4.0	14.6	32.7	48.6	0.1
Businesses by Geography	953,558	9.5	17.1	24.7	47.0	1.7
Family Distribution by Income Level	3,343,388	28.1	15.6	16.1	40.2	0.0
Median Family Income MSA - 35004 Nassau County-Suffolk County, NY MD		\$108,193	Median Housing Value			\$489,842
Median Family Income MSA - 35084 Newark, NJ-PA MD		\$95,579	Median Gross Rent			\$1,330
Median Family Income MSA – 35614 New York-Jersey City-White Plains, NY-NJ MD		\$72,047	Families Below Poverty Level			13.6%
Source: 2015 ACS and 2017 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification.						

The 2016 and 2017 FFIEC-updated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Nassau County-Suffolk County, NY MD Median Family Income (35004)				
2016 (\$106,200)	<\$53,100	\$53,100 to <\$84,960	\$84,960 to <\$127,440	≥\$127,440
2017 (\$110,800)	<\$55,400	\$55,400 to <\$88,640	\$88,640 to <\$132,960	≥\$132,960
Newark, NJ-PA MD Median Family Income (35084)				
2016 (\$95,100)	<\$47,550	\$47,550 to <\$76,080	\$76,080 to <\$114,120	≥\$114,120
2017 (\$99,800)	<\$49,900	\$49,900 to <\$79,840	\$79,840 to <\$119,760	≥\$119,760
New York-Jersey City-White Plains, NY-NJ MD Median Family Income (35614)				
2016 (\$72,600)	<\$36,300	\$36,300 to <\$58,080	\$58,080 to <\$87,120	≥\$87,120
2017 (\$73,700)	<\$36,850	\$36,850 to <\$58,960	\$58,960 to <\$88,440	≥\$88,440
Source: FFIEC				

Data obtained from the U.S. Bureau of Labor and Statistics (BLS) indicates that the October 2017 statewide unemployment rate was 4.8 percent in New York and 4.9 percent in New Jersey, while the national unemployment rate was 4.1 percent. Unemployment rates for the counties within the assessment area ranged from 4.0 percent in Nassau and Bergen Counties to 6.6 percent in Bronx County. The following table presents unemployment rates.

Unemployment Rates			
Area	2015*	2016*	October 2017
	%	%	%
Bronx County	7.2	6.1	6.6
Kings County	5.3	4.5	5.0
Nassau County	3.6	3.6	4.0
New York County	4.4	3.9	4.4
Queens County	4.5	3.8	4.3
Richmond County	5.2	4.4	4.9
Rockland County	3.8	3.9	4.3
Westchester County	3.9	4.0	4.4
Bergen County	3.6	3.4	4.0
Essex County	5.4	5.6	6.0
Hudson County	4.1	3.9	4.6
Passaic County	5.6	5.0	5.6
Union County	4.7	4.3	4.9
State of New York	4.9	4.8	4.8
State of New Jersey	5.0	4.7	4.9
National Average	5.0	4.7	4.1
Source: BLS			
*As of December for each year			

Moody's Analytics November 2017, data notes that strengths in the New York City metro area (which includes Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Westchester, Bergen, and Passaic Counties) include technology investments, which draw jobs and residents. Weaknesses include a declining real estate market. Strengths in the Newark metro area (which includes Essex and Union Counties) include a large presence of industries such as financial services, pharmaceuticals, and technology. Weaknesses include low population growth, and high business and living costs.

Competition

The New York assessment area is highly competitive in the market for financial services. According to the June 2017 FDIC Deposit Market Share data, there were 166 financial institutions that operated 3,819 full-service branches within the counties that comprise the New York assessment area. Of these institutions, Amalgamated ranked 41st with a 0.2 percent deposit market share.

There is a high level of competition for home mortgage loans. In 2016, 785 lenders reported a total of 205,045 home mortgage loans originated or purchased. Amalgamated ranked 143rd with a market share of 0.1 percent. The three most prominent home mortgage lenders (Wells Fargo Bank, N.A.; JP Morgan Chase Bank, N.A.; and Citibank, N.A.) accounted for 23.7 percent of total market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs.

Examiners reviewed a recent community contact with a neighborhood housing organization located in Brooklyn, Kings County. The contact indicated that residential loans are the primary credit need of the community, especially as Brooklyn's population continues to grow and remains the highest of any New York City borough. The contact indicated that local institutions are sufficiently providing affordable mortgage products geared toward low- and moderate-income individuals. Some institutions provide down payment assistance. The contact further indicated that providing additional grant funding and foreclosure assistance are continued needs within the assessment area.

Examiners also reviewed a recent contact conducted with a housing organization that serves Nassau County. The contact indicated that local lenders are often able to provide niche financing or programs that their national counterparts cannot. The contact further indicated that there is a need for loans with lower closing costs, as high closing costs are becoming a barrier for low- and moderate-income borrowers.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and the demographic and economic data, ongoing credit and community development needs exist in the assessment area. Home mortgage lending and affordable housing represent primary needs. The percentage of families with low- or moderate-incomes in the New York assessment area is over 40 percent, with 13.6 percent of families earning incomes below the poverty level.

CONCLUSIONS ON PERFORMANCE CRITERIA IN NEW YORK

LENDING TEST

Lending Activity

Lending levels reflect good responsiveness to credit needs in this assessment area.

Amalgamated originated 398 of 461 (86.3 percent) total in-area 1-4 family, multifamily, and small business loans within this rated area. The percentage by dollar amount was slightly lower at 77.0 percent. This total includes 386 1-4 family home mortgage loans totaling \$165.6 million, 8 multifamily loans totaling \$43.2 million, and 4 small business loans totaling \$575,000. Since the previous CRA evaluation, Amalgamated increased 1-4 family home mortgage lending, while decreasing multifamily and small business lending. The previous CRA evaluation included 202 1-4 family home mortgage loans, 61 multifamily loans, and 7 small business loans in 2012 and 2013. The New York assessment area still accounts for a majority of the bank's lending activity; however, the percentage has decreased from 97.5 percent to 86.3 percent by number of loans.

The large number of lenders within the assessment area results in intense competition for financial products and services, especially home mortgage lending. In 2016, Amalgamated ranked 140th by number among the 759 HMDA reporters in this assessment area with a market share of 0.1 percent. Most of the lenders that ranked higher than Amalgamated were larger national or regional financial institutions and mortgage companies including Wells Fargo Bank, NA; JPMorgan Chase Bank, NA; Citibank, NA; Quicken Loans; and Citimortgage, Inc. The largest home mortgage lender in the assessment area, with an 11.3 percent market share, was Wells Fargo Bank, N.A., the nation's largest home mortgage lender.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the New York assessment area. Examiners analyzed 1-4 family and multifamily home mortgage loans. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

1-4 Family Loans

The geographic distribution of 1-4 family home mortgage loans reflects good penetration throughout this assessment area. Examiners focused on the comparison to 2016 aggregate data and to the percentage of owner-occupied housing units by tract income level.

The following table shows that Amalgamated's performance in the low-income census tracts was below the aggregate level by 2.1 percentage points and the demographics by 1.7 percentage points in 2016. In contrast, Amalgamated's performance in the moderate-income census tracts exceeded the aggregate level by 4.3 percentage points and the demographics by 3.8 percentage points in 2016. In addition, Amalgamated significantly increased 1-4 family home mortgage lending in both low- and moderate-income census tracts in 2017.

Geographic Distribution of 1-4 Family Home Mortgage Loans						
Assessment Area: New York						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	3.3	3.7	3	1.6	1,874	2.4
2017	4.0	--	12	6.1	4,924	5.6
Moderate						
2016	14.6	14.1	35	18.4	12,306	15.7
2017	14.6	--	56	28.6	16,768	19.2
Middle						
2016	33.9	31.0	62	32.6	23,732	30.4
2017	32.7	--	40	20.4	18,273	20.9
Upper						
2016	48.2	51.1	90	47.4	40,237	51.5
2017	48.6	--	87	44.4	47,214	54.0
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.1	--	1	0.5	280	0.3
Totals						
2016	100.0	100.0	190	100.0	78,149	100.0
2017	100.0	--	196	100.0	87,459	100.0
Source: 2010 U.S. Census & 2015 ACS; 1/1/2016 - 12/31/2017 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0						

Multifamily Loans

Amalgamated originated eight multifamily home mortgage loans in the New York assessment area. Examiners could not draw meaningful conclusions relating to the geographic distribution of multifamily home mortgage loans due to the limited volume of lending; however, examiners presented information on multifamily home mortgage lending to show additional lending in low- and moderate-income census tracts.

As shown in the table below, Amalgamated originated one out of eight multifamily loans (12.5 percent) in low-income census tracts, and an additional three multifamily loans (37.5 percent) in moderate-income census tracts. The majority of these multifamily loans provided affordable housing for low- and moderate-income individuals, an identified credit need in the New York assessment area.

Geographic Distribution of Multifamily Home Mortgage Loans						
Assessment Area: New York						
Tract Income Level	% of Multifamily Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	20.6	18.6	0	0.0	0	0.0
2017	22.7	--	1	25.0	2,100	7.7
Moderate						
2016	29.5	37.0	3	75.0	14,700	93.6
2017	25.9	--	0	0.0	0	0.0
Middle						
2016	19.3	20.4	0	0.0	0	0.0
2017	18.0	--	2	50.0	23,850	86.9
Upper						
2016	30.6	23.9	1	25.0	1,000	6.4
2017	33.0	--	1	25.0	1,500	5.5
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.4	--	0	0.0	0	0.0
Totals						
2016	100.0	100.0	4	100.0	15,700	100.0
2017	100.0	--	4	100.0	27,450	100.0
Source: 2010 U.S. Census & 2015 ACS; 1/1/2016 - 12/31/2017 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0						

Borrower Profile

The distribution of 1-4 family home mortgage loans reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels. Examiners focused on the percentage of 1-4 family home mortgage loans by number to low- and moderate-income borrowers and on 2016 aggregate data. Examiners did not analyze multifamily home mortgage lending in this criteria, as borrower income information is not obtained or reported for multifamily loans.

1-4 Family Loans

The distribution of 1-4 family home mortgage loans to individuals of different income levels reflects poor penetration. Home mortgage lending to low-income borrowers, at 0.5 percent, is below aggregate data of 1.9 percent and significantly below the 26.9 percent of families of this income level. A low-income family in the New York assessment area, with an income less than \$53,100, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$489,842. Therefore, the demand and opportunity for lending to low-income families is relatively limited.

Performance of lending to moderate-income borrowers is also poor. Amalgamated's lending to moderate-income borrowers, at 4.2 percent, is below aggregate data of 8.6 percent and below the 16.3 percent of families of this income level.

According to the demographic changes reflected in the 2015 ACS data, the percentage low- and moderate-income families increased from 2016 to 2017. The bank did not originate any 1-4 family home mortgage loans to low-income borrowers in 2017; however, the bank originated 14 1-4 family home mortgage loans (7.1 percent) to moderate-income borrowers.

Distribution of 1-4 Family Home Mortgage Loans by Borrower Income Level						
Assessment Area: New York						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	26.9	1.9	1	0.5	370	0.5
2017	28.1	--	0	0.0	0	0.0
Moderate						
2016	16.3	8.6	8	4.2	1,423	1.8
2017	15.6	--	14	7.1	2,363	2.7
Middle						
2016	17.2	18.5	26	13.7	6,936	8.9
2017	16.1	--	39	19.9	9,827	11.2
Upper						
2016	39.7	56.6	154	81.1	68,556	87.7
2017	40.2	--	123	62.8	53,044	60.7
Not Available						
2016	0.0	14.3	1	0.5	864	1.1
2017	0.0	--	20	10.2	22,225	25.4
Totals						
2016	100.0	100.0	190	100.0	78,149	100.0
2017	100.0	--	196	100.0	87,459	100.0

*Source: 2010 U.S. Census & 2015 ACS; 1/1/2016 - 12/31/2017 Bank Data, 2016 HMDA Aggregate Data, "--" data not available.
Due to rounding, totals may not equal 100.0.*

Innovative and Flexible Lending

The bank makes limited use of innovative and flexible lending programs in order to serve assessment area credit needs. As stated previously, Amalgamated originated 34 loans totaling \$9.5 million using innovative and flexible loan programs. The bank originated 32 loans totaling \$8.8 million in the New York assessment area. Two Amalgamated mortgage products are available in both the New York and District of Columbia assessment areas, while two other programs are specific to the New York assessment area. Described below are the innovative and flexible lending programs offered within the New York assessment area.

First-Time Home Buyers Product – Introduced in 2015, this is a mortgage product that includes a low down payment of five percent, 100 percent of which can come from a grant. Since the previous evaluation, Amalgamated originated seven loans totaling \$2.4 million under this program, all within the New York assessment area.

First Home First Priority Product – Introduced in 2016, this is a mortgage product targeted to low- and moderate-income borrowers. Borrowers' income must be at or below 80 percent of area median family income or property must be located in a low- or moderate-income census tract. Features include a low down payment of five percent, 100 percent of which can come from a grant. Borrowers receive a discount of half of a percent on the First-Time Home Buyers' fixed- and adjustable-rate mortgages. Since the previous evaluation, Amalgamated originated 21 loans totaling \$5.9 million under this program within the New York assessment area.

State of New York Mortgage Agency (SONYMA) lender – As of April 2014, Amalgamated participates in SONYMA's Low Interest Rate Mortgage Program. This program provides qualified low- and moderate-income, first-time homebuyers with low down payment mortgage financing on 1-4 family dwellings at fixed rates that are below the prevailing conventional rates. Borrowers must have a three percent minimum down payment from their own funds. Closing cost assistance can be derived from a local housing organization or as a gift. Qualifying debt ratios are increased for the borrowers. Although the bank's status as a SONYMA lender is currently dormant, the bank originated one loan totaling \$7,800 since the previous evaluation.

New York City Department of Housing Preservation and Development (HPD) – Amalgamated is an approved lender under the HPD HomeFirst Down Payment Assistance Program. HPD's HomeFirst Down Payment Assistance Program provides qualified homebuyers with up to \$25,000 toward the down payment or closing costs on a 1-4 family home, a condominium, or a cooperative in one of the five boroughs of New York City. A prospective homebuyer must: be a first-time homebuyer; complete a homebuyer education course taught by an HPD-approved counseling agency; have their own savings to contribute to the down payment or closing costs; have a household income up to 80 percent area median income. Since the previous evaluation, Amalgamated originated three loans totaling \$480,977 under this program.

Community Development Lending

Amalgamated is a leader in making community development loans. As stated previously, Amalgamated originated 66 community development loans totaling \$376.5 million during the review period. The bank originated 54 community development loans totaling \$336.6 million within the New York assessment area.

Community Development Loans												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
11/17/2014-12/31/2014	0	0	1	750	0	0	0	0	0	0	1	750
2015	15	140,023	2	3,350	1	2,000	2	5,500	0	0	20	150,873
2016	7	48,725	2	3,350	1	2,000	0	0	0	0	10	54,075
2017	16	110,843	4	4,350	2	7,000	0	0	0	0	22	122,193
01/01/2018-01/22/2018	1	8,666	0	0	0	0	0	0	0	0	1	8,666
Total	39	308,257	9	11,800	4	11,000	2	5,500	0	0	54	336,557
<i>Source: Bank Records</i>												

The following is a sample of the community development loans originated by the bank within the New York assessment area during the review period.

Affordable Housing

- Amalgamated originated 39 multifamily or mixed-use property loans totaling \$308.3 million for properties that provide affordable housing to assessment area residents. All of these properties qualify as affordable housing based on the rents charged in each building. In addition, each of the properties is located in a low- or moderate-income census tract.

Community Services

- In 2015, 2016, and 2017, Amalgamated renewed a \$3.0 million line of credit to bridge timing differences between expenditures for ongoing programs and receipt of approved grant funds for a non-profit organization that provides services to low- and moderate-income individuals. The organization provides workforce preparation, industry specific training, and employment services to 70,000 New York City workers annually, including union members, new Americans, and dislocated workers. Programs assist the workforce in maintaining and upgrading their skills and advancing their careers in varied economic sectors including healthcare, construction, transportation, civil service, education and child care, retail and tourism. In addition, the bank originated a \$750,000 term loan to fund moving and buildout costs for the organization in 2014.

Economic Development

- In 2015, 2016, and 2017, Amalgamated increased and renewed a \$2.0 million unsecured line of credit to a non-profit financial intermediary that provides leveraged capital to small businesses that are unable to obtain loans through traditional means. The intermediary is engaged in mission-based lending, promoting prosperity and opportunity by facilitating job growth and economic development.

INVESTMENT TEST

Investment Activity

Amalgamated has a significant level of qualified community development investment and grants. As stated previously, Amalgamated had qualified investments and grants totaling \$59.6 million during the review period. This total includes investments of \$44.8 million and 158 donations or grants of \$602,235 within the New York assessment area.

Qualified Investments												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	25	5,484	0	0	9	8,450	0	0	0	0	34	13,934
2015	1	5,000	1	1,000	0	0	0	0	0	0	2	6,000
2016	1	1,100	0	0	0	0	0	0	0	0	1	1,100
2017	3	23,749	0	0	0	0	0	0	0	0	3	23,749
Subtotal	30	35,333	1	1,000	9	8,450	0	0	0	0	40	44,783
Qualified Grants & Donations	31	157	102	401	18	24	7	20	0	0	158	602
Total	61	35,490	103	1,401	27	8,474	7	20	0	0	198	45,385
<i>Source: Bank Records</i>												

New Investments

- In September 2017, Amalgamated purchased a \$3.0 million Fannie Mae multifamily mortgage-backed security collateralized by 270 apartment units located in a middle-income census tract in Suffolk County. Approximately 99.7 percent of the units are set aside for tenants with household income at or below 60 percent of area median income.
- In November 2015 and February 2017, Amalgamated purchased two Fannie Mae multifamily mortgage-backed securities totaling \$15.0 million collateralized by 1,689 apartment units located in an upper-income census tract in New York County. The property is federally subsidized under Section 8, with 100.0 percent of its units dedicated for low- and moderate-income tenants.
- In October 2016, Amalgamated purchased a \$1.1 million Fannie Mae multifamily mortgage-backed security collateralized by 16 apartment units located in a low-income census tract in Bronx County. The property was listed with the New York City Department of Housing and Preservation as affordable housing.
- In December 2017, Amalgamated purchased a \$10.7 million Fannie Mae multifamily structured pass-through security collateralized by two buildings (76 apartment units) located in a low-income census tract in Bronx County. Low-income tenants occupy approximately 61.8 percent of the units.

- In 2015, Amalgamated made a \$1 million deposit to the National Federation of Community Development Credit Unions (NFCDCU), a certified Community Development Financial Institution intermediary. The NFCDCU promotes financial inclusion by organizing, supporting, and investing in community development credit unions, which specialize in serving populations with limited access to affordable financial services, including low-income wage earners, families, new immigrants, young people and the growing number of Americans seeking financial independence through credit unions.

Outstanding Investments

- Between 1999 and 2007, Amalgamated made nine investments in the Access Capital Community Investment Fund. This organization invests in geographically specific debt securities located in portions of the U.S. designated by fund investors. The fund seeks to achieve its investment objective by investing primarily in debt securities designed to support underlying economic activities such as affordable housing, education, small business lending, and job creating activities. The fund's current book value is approximately \$13.0 million, of which approximately \$8.5 million is allocated to the New York assessment area.
- Between 1998 and 2010, Amalgamated invested in 24 funds with the New York Community Preservation Corporation (CPC). The CPC provides mortgage financing in selected neighborhoods or for projects that experience deterioration or disinvestment. The CPC accomplishes this goal by making construction and permanent mortgage loans to the private sector for the development and preservation of residential properties in low- and moderate-income areas of New York and New Jersey, with a concentration in the New York City area. The current book value of the CPC investments is approximately \$401,386.
- In June 2011, Amalgamated purchased a security collateralized by 46 multifamily buildings consisting of 5,881 housing units located in a moderate-income census tract within the assessment area. The building is a federally subsidized housing complex, with low-income tenants residing in approximately 90 percent of the units. The current book value of the investment is \$5.1 million.

Grants and Donations

Amalgamated provided 158 grants and donations totaling \$602,235 to organizations that benefit the New York assessment area. The following are examples of qualified donations.

- Bedford Stuyvesant Restoration Corporation (BSRC) – Amalgamated donated approximately \$9,000 to BSRC, the nation's first community development corporation. The organization partners with residents and businesses to improve the quality of life in Central Brooklyn. BSRC promotes mixed-income housing developments, provides workforce training in the form of financial literacy, job placement, and college preparation services.

- Hartley House – Amalgamated donated approximately \$16,500 to this nonprofit organization that serves low- and moderate-income school age children, youth, and seniors in Hell’s Kitchen by enriching their lives, expanding their opportunities, and building a sense of community. The organization’s programs include an after school and summer day camp; adult education partnerships that provide job skills, high school equivalency exam prep, and critical support for recent immigrants; and a Home Outreach Program for Elders that takes a compassionate and individualized approach to support seniors to remain important, independent members of their surrounding community.
- Neighborhood Housing Services of New York City (NHSNYC) – During the evaluation period, the bank supported the NHSNYC by donating approximately \$81,100. The NHSNYC is a nonprofit organization that assists in revitalizing underserved neighborhoods by creating and preserving affordable housing and providing opportunities for homeownership education, financial assistance and community leadership for low- and moderate-income individuals
- North Star Fund – Amalgamated donated approximately \$55,000 to this organization that organizes donors, raises funds for grassroots activism, and distributes grants. Support services for low- and moderate-income individuals range from better schools, housing and health care, to protecting civil liberties and creating living wage jobs.
- NYC Ladders for Leaders – Amalgamated donated approximately \$155,000 through its partnership with this organization. Beginning in 2015, the bank partnered with this organization to fund 20 to 25 internship opportunities for students who live in or attend school in New York City. Over 80 percent of these students are low- or moderate-income. Each year, the interns were employed for 6 weeks, working up to 25 hours per week, and paid \$15 per hour. Ladders for Leaders is a nationally recognized, selective program that offers high school and college students in NYC the opportunity to participate in professional summer internships with leading corporations, non-profit organizations and government agencies. The program is an initiative of the NYC Department of Youth and Community Development and supported by the NYC Center for Youth Employment and the Mayor’s Fund to Advance New York City.
- University Neighborhood Housing Program – Amalgamated donated approximately \$11,000 to this nonprofit organization that creates, preserves, and improves affordable housing and brings needed resources to the Northwest Bronx. UNHP achieves its mission by issuing low-interest loans from three loan funds, providing technical assistance to community leaders, neighborhood groups and affordable housing managers, by organizing around and researching the issues that impact housing affordability and attracting resources to the community through the Northwest Bronx Resource Center. UNHP Northwest Bronx Resource Center serves low- and moderate-income individuals in the community by providing resources for financial education, foreclosure prevention, free tax preparation, access to benefits and health insurance, and eviction prevention assistance.

Responsiveness to Credit and Community Development Needs

Amalgamated exhibits good responsiveness to credit and community economic development needs. Qualified investments and grants are responsive to existing assessment area credit needs by supporting affordable housing.

Innovativeness or Complexity of Qualified Investments

The bank rarely uses innovative and/or complex investments to support community development initiatives. Amalgamated's existing and new investments primarily include mortgage-backed securities (MBSs). Although MBS investments help promote affordable housing, they are not innovative or complex.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. Amalgamated serves the New York assessment area with 12 full-service branches. The distribution of branches and ATMs among the low-income census tracts is comparable to the demographics of those census tracts. In contrast, the distribution of branches and ATMs among the moderate-income census tracts is below the demographics of those census tracts. However, the bank offers alternative delivery systems such as ATMs, as well as online banking, direct deposit, remote deposit, and telephone banking, to increase accessibility of retail banking services across all geographies.

Branch and ATM Distribution by Geography Income Level								
Tract Income Level	Census Tracts		Population		Branches		ATMs	
	#	%	#	%	#	%	#	%
Low	522	14.9	2,389,307	16.5	2	16.7	2	16.7
Moderate	855	24.4	3,607,042	24.9	2	16.7	2	16.7
Middle	1,001	28.6	3,894,357	26.8	3	25.0	3	25.0
Upper	1,038	29.6	4,568,385	31.5	5	41.6	5	41.6
NA	86	2.5	47,143	0.3	0	0.0	0	0.0
Total	3,502	100.0	14,506,234	100.0	12	100.0	12	100.0
<i>Source: 2010 U.S. Census & Bank Records</i>								

Changes in Branch Locations

To the extent changes have been made, the institution's opening and closing of branches has generally not adversely affected the accessibility of its delivery systems, particularly in low- and moderate-income geographies and/or to low- and moderate-income individuals.

Since the previous CRA evaluation, Amalgamated closed nine branches within the New York assessment area. No branches have been opened or relocated. The bank closed four branches in Queens County, two branches in New York County, one branch in Bergen County, one branch in Bronx County, and one branch in Kings County. With the closing of the New Jersey branch in Bergen County and consistent with its strategic plan, Amalgamated no longer maintains a branch presence in New Jersey. The bank still maintains additional branches in Queens, New York, Bronx, and Kings County. In addition, the bank still maintains approximately 33.4 percent of its

branches in low- and moderate-income census tracts, which is nearly identical to the percentage prior to closing the branches. See the following table for details on the closed branches.

Closed Branches			
County	Year	Address	Census Tract Income Level
Queens	2015	426-86 th Street, Brooklyn, NY	Middle
Queens	2015	56-29 Myrtle Avenue, Ridgewood, NY	Moderate
Queens	2015	69-71/73 Grand Avenue, Maspeth, NY	Middle
Queens	2015	78-01 37 th Avenue, Jackson Heights, NY	Middle
Bergen	2015	734 Ridge Road, Lyndhurst, NJ	Middle
Bronx	2015	2178 White Plains Road, Bronx, NY	Moderate
Kings	2015	1201 Avenue J, Brooklyn, NY	Moderate
New York	2016	564 West 125 th Street, New York, NY	Middle
New York	2017	1745 Broadway, New York, NY	Upper
<i>Source: Bank Records</i>			

Reasonableness of Business Hours and Services

Services (including, where appropriate, business hours) do not vary in a way that inconveniences certain portions of the assessment areas, particularly low- and moderate-income geographies and/or individuals. Branch hours are convenient and comparable to other local financial institutions. General banking hours are 9:00 AM to 4:00 PM, Monday through Friday. Ten branches offer Saturday hours. All branches offer an ATM.

Community Development Services

Amalgamated provided a relatively high level of community development services in the New York assessment area during the evaluation period. The activities largely involve financial literacy and first-time homebuyer education and technical expertise through Board and committee memberships. During the review period, bank representatives provided over 240 instances of qualified community development services. The following table illustrates by year each instance a bank employee or Board member provided financial education or served as a board/committee member for a community development organization.

Community Development Services						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
2015	2	33	0	0	0	35
2016	15	83	0	3	0	101
2017	15	88	1	3	0	107
Total	32	204	1	6	0	243
<i>Source: Bank Records</i>						

Financial Literacy Workshops – During the evaluation period, Amalgamated provided approximately 200 financial literacy or first-time homebuyers workshops within the New York assessment area. These workshops were held at with various local nonprofit organizations in

low- and moderate-income geographies and were primarily toward low- and moderate-income area residents.

Board of Director/Committee Involvement – In over 40 instances, bank officers, employees, and board members also offered their technical expertise through Board of Director and committee involvement with community development organizations. Examples are listed below.

- Hot Bread Kitchen – The President and Chief Executive Officer serves as a Board Member of this organization that trains individuals, most of whom are low- or moderate-income immigrants, for careers in the food manufacturing industry.
- New York Communities Organizing Fund, Inc. – A bank employee serves as a Board Member of this community-based nonprofit organization that serves low- and moderate-income individuals through public education, research, and advocacy.
- Public Utility Law Project – The President and Chief Executive Officer serves as a Board Member of this organization that represents residential low- income and rural consumers in utility, telecommunications, and energy-related matters seeking to advance universal service, affordability, and consumer protection. A bank employee also provided technical assistance to this organization.
- Reaching Out Community Services (RCS) – A bank employee serves as a Board Member and Treasurer for this nonprofit organization that provides services to low-income individuals and families in the five boroughs of New York City. RCS leads the effort to eliminate hunger in the community by providing food and social services. This organization provides community services targeted to low- and moderate-income individuals.
- Upper Manhattan Empowerment Zone – A bank employee serves as a Board Member of this organization that sustains the economic revitalization of all communities in Upper Manhattan, particularly those designated as low- or moderate-income. The organization provides job creation, corporate alliances, strategic investments, and small business assistance.

Other Community Development Services

The bank also offered other community development services to improve access to financial services for low- and moderate-income individuals.

- “Restart Checking” – Amalgamated offers a low-cost deposit account, which improves access to financial services, or decreases costs, for low- or moderate-income individuals. The “Restart Checking” account was designed for customers who may have had financial difficulties in the past. Product features include no minimum opening balance, no monthly maintenance fee, unlimited check writing ability, no overdraft capability, access to a debit MasterCard, and access to online and mobile banking.
- idNYC – Amalgamated is one of only a handful of banks accepting idNYC, the city’s

new municipal identification card, as a primary form of identification for opening a bank account. idNYC cards are only accepted in-branch. For a non-resident alien or non-US resident without a taxpayer identification number, a valid and unexpired foreign passport evidencing county of citizenship is required.

- New York City Housing Authority (NYCHA) – Beginning in 2016, Amalgamated accepts monthly rent payments from residents of NYCHA properties at five bank branches located in the Bronx, New York, and Queens Counties.
- New York City’s Administration for Children’s Services (ACS) – Beginning in 2016, Amalgamated entered into an agreement with ACS to provide ACS contractors with prepaid cards as a form of payment. According to the BLS, ACS contractors, who are primarily childcare workers, earn a low-income median annual wage of \$21,170. In addition, many of the ACS contractors were previously using high-cost check cashers.
- Food Bank for New York City – In 2016, Amalgamated donated use of office space in several branches to allow free virtual tax preparation assistance to low- and moderate-income individuals assisted by the Food Bank for New York City.

DISTRICT OF COLUMBIA

CRA RATING FOR DISTRICT OF COLUMBIA: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: High Satisfactory

The Service Test is rated: Low Satisfactory

SCOPE OF EVALUATION

Refer to the scope comment for the overall performance. Examiners conducted a full-scope review of Amalgamated's performance in its District of Columbia assessment area. The bank does not maintain a branch presence in Maryland. To account for the full performance, however, this section also includes an analysis of loans and activities within Maryland that are part of the assessment area and within the multistate Washington-Arlington-Alexandria, DC-VA-MD-WV MSA #47900.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN THE DISTRICT OF COLUMBIA

Economic and Demographic Data

The District of Columbia assessment area is comprised of 612 census tracts, including all census tracts in the District of Columbia and in Prince George's and Montgomery Counties in Maryland. The District of Columbia and Prince George's County are located in the Washington-Arlington-Alexandria, DC-VA-MD-WV MD #47894. Montgomery County is located in the Silver Spring-Frederick-Rockville, MD MD #43524. Both MDs are located in the larger Washington-Arlington-Alexandria, DC-VA-MD-WV MSA #47900.

During 2017, the assessment area census tracts reflected the following income designations according to the 2010 U.S. Census:

- 102 low-income tracts,
- 168 moderate-income tracts,
- 171 middle-income tracts,
- 163 upper-income tracts, and
- 8 tracts with no income designation.

The following table illustrates select demographic characteristics of the District of Columbia assessment area based on the 2015 American Community Survey (ACS) data.

Demographic Information of the Assessment Area						
Assessment Area: District of Columbia						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts)	612	16.7	27.5	27.9	26.6	1.3
Population by Geography	2,558,159	15.1	25.8	30.2	27.7	1.2
Housing Units by Geography	1,016,122	15.4	25.3	29.7	28.7	0.9
Owner-Occupied Units by Geography	543,866	6.8	22.1	35.3	35.5	0.3
Businesses by Geography	200,628	7.1	24.3	30.3	36.9	1.4
Family Distribution by Income Level	574,204	26.6	17.6	19.4	36.4	0.0
Median Family Income MSA - 43524 Silver Spring-Frederick-Rockville, MD, MD		\$112,655	Median Housing Value			\$407,860
Median Family Income MSA - 47894 Washington-Arlington-Alexandria, DC-VA-MD-WV MD		\$106,762	Median Gross Rent			\$1,460
			Families Below Poverty Level			7.4%
Source: 2010 U.S. Census & 2015 ACS Census and 2017 D&B Data (*) The NA category consists of geographies that have not been assigned an income classification.						

The 2016 and 2017 FFIEC-updated median family income levels are used to analyze home mortgage loans under the Borrower Profile criterion. The low-, moderate-, middle- and upper-income categories are presented in the following table.

Median Family Income Ranges				
Median Family Incomes	Low <50%	Moderate 50% to <80%	Middle 80% to <120%	Upper ≥120%
Silver Spring-Frederick-Rockville, MD MD Median Family Income (43524)				
2016 (\$113,000)	<\$56,500	\$56,500 to <\$90,400	\$90,400 to <\$135,600	≥\$135,600
2017 (\$114,200)	<\$57,100	\$57,100 to <\$91,360	\$91,360 to <\$137,040	≥\$137,040
Washington-Arlington-Alexandria, DC-VA-MD-WV MD Median Family Income (47894)				
2016 (\$105,700)	<\$52,850	\$52,850 to <\$84,560	\$84,560 to <\$126,840	≥\$126,840
2017 (\$107,600)	<\$53,800	\$53,800 to <\$86,080	\$86,080 to <\$129,120	≥\$129,120
Source: FFIEC				

Data obtained from the BLS indicates that the October 2017 statewide unemployment rate was 6.8 percent in the District of Columbia and 3.8 percent in Maryland, while the national unemployment rate was 4.1 percent. The following table presents unemployment rates.

Unemployment Rates			
Area	2015*	2016*	October 2017
	%	%	%
Montgomery County	3.2	2.8	3.1
Prince George's County	4.5	3.9	3.9
District of Columbia	6.2	5.5	6.8
State of Maryland	4.4	3.9	3.8
National Average	5.0	4.7	4.1
<i>Source: BLS</i>			
<i>*As of December for each year</i>			

The service industry accounts for the most significant portion of area businesses at 56.7 percent, followed distantly by retail trade at 9.6 percent and finance, insurance, and real estate at 8.4 percent.

Competition

The District of Columbia assessment area is moderately competitive in the market for financial services. According to the June 2017 FDIC Deposit Market Share data, there were 42 financial institutions that operated 665 full-service branches within the counties that comprise the District of Columbia assessment area. Of these institutions, Amalgamated ranked 19th with a 0.5 percent deposit market share.

There is a high level of competition for home mortgage loans. In 2016, 610 lenders reported a total of 99,247 home mortgage loans originated or purchased. Amalgamated ranked 226th with a market share of less than 0.1 percent. The three most prominent home mortgage lenders (Wells Fargo Bank, N.A.; Suntrust Mortgage, Inc.; and Quicken Loans) accounted for 17.5 percent of total market share.

Community Contact

As part of the evaluation process, examiners contact third parties active in the assessment area to assist in identifying the credit and community development needs. This information helps determine whether local financial institutions are responsive to these needs.

Examiners and community affairs staff met with nine contacts from local and regional community development organizations during a recent CRA listening session. The contacts identified affordable housing as a top priority across all income levels, but particularly for those with incomes less than 50 percent of area median income. In addition, individuals need foreclosure prevention counseling and assistance in languages other than English. The contacts also indicated that additional support was needed for business development, as many banks direct small businesses to access financing via a credit card loan.

Credit and Community Development Needs and Opportunities

Considering information from community contacts, bank management, and the demographic and economic data, ongoing credit, and community development needs exist in the assessment area. Home mortgage lending and affordable housing represent primary needs. The percentage of

families with low- or moderate-incomes in the District of Columbia assessment area is over 40 percent, with over seven percent of families earning incomes below the poverty level.

CONCLUSIONS ON PERFORMANCE CRITERIA IN DISTRICT OF COLUMBIA

LENDING TEST

Lending Activity

Lending levels reflect good responsiveness to credit needs in this assessment area. Amalgamated originated 63 of 461 (13.7 percent) total in-area 1-4 family, multifamily, and small business loans within this rated area. The percentage by dollar amount was slightly higher at 23.0 percent. This total includes 50 1-4 family home mortgage loans totaling \$29.0 million, 10 multifamily loans totaling \$33.1 million, and 3 small business loans totaling \$350,000. Since the previous CRA evaluation, Amalgamated increased 1-4 family home mortgage, multifamily, and small business lending within this rated area. The previous CRA evaluation included three 1-4 family home mortgage loans and four multifamily loans in 2012 and 2013. The District of Columbia assessment area still accounts for a small portion of the lending activity; however, the percentage has increased from 2.5 percent to 13.7 percent by number of loans.

The proliferation of lenders within the assessment area results in intense competition regarding the provision of financial products and services, especially home mortgage lending. In 2016, Amalgamated ranked 233rd by number among the 595 HMDA reporters in this assessment area with a market share of less than 0.1 percent. Most of the lenders that ranked higher than Amalgamated were larger national or regional financial institutions and mortgage companies. The largest home mortgage lender in the assessment area with a 9.1 percent market share was Wells Fargo Bank, NA, the nation's largest home mortgage lender.

Geographic Distribution

The geographic distribution of loans reflects good penetration throughout the District of Columbia assessment area. Examiners analyzed 1-4 family and multifamily home mortgage loans. Examiners focused on the percentage by number of loans in low- and moderate-income census tracts.

1-4 Family Loans

The geographic distribution of 1-4 family home mortgage loans reflects good penetration throughout this assessment area. Examiners focused on the comparison to 2016 aggregate data and to the percentage of owner-occupied housing units by tract income level.

The following table shows that Amalgamated's performance in the low-income census tracts was above the aggregate level by 8.6 percentage points and the demographics by 9.8 percentage points in 2016. In contrast, Amalgamated's performance in the moderate-income census tracts was below the aggregate level by 9.4 percentage points and the demographics by 9.6 percentage points in 2016. In addition, Amalgamated decreased 1-4 family home mortgage lending in both low- and moderate-income census tracts in 2017.

Geographic Distribution of 1-4 Family Home Mortgage Loans						
Assessment Area: District of Columbia						
Tract Income Level	% of Owner-Occupied Housing Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	6.3	7.5	5	16.1	2,471	14.1
2017	6.8	--	3	15.8	1,255	11.0
Moderate						
2016	25.7	25.5	5	16.1	2,373	13.5
2017	22.1	--	2	10.5	1,400	12.2
Middle						
2016	35.7	33.8	11	35.5	5,688	32.3
2017	35.3	--	7	36.8	2,850	24.9
Upper						
2016	32.2	33.2	10	32.3	7,054	40.1
2017	35.5	--	7	36.8	5,941	51.9
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	0.3	--	0	0.0	0	0.0
Totals						
2016	100.0	100.0	31	100.0	17,586	100.0
2017	100.0	--	19	100.0	11,446	100.0
Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2017 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0						

Multifamily Loans

Amalgamated originated ten multifamily home mortgage loans in the District of Columbia assessment area. Examiners could not draw meaningful conclusions relating to the geographic distribution of multifamily home mortgage loans due to the limited volume of lending; however, examiners presented information on multifamily home mortgage lending to show additional lending in low- and moderate-income census tracts.

As shown in the table below, Amalgamated originated five out of ten multifamily loans (50.0 percent) in low-income census tracts, and two multifamily loans (20.0 percent) in moderate-income census tracts. The majority of these multifamily loans provided affordable housing for low- and moderate-income individuals, an identified credit need in the District of Columbia assessment area.

Geographic Distribution of Multifamily Home Mortgage Loans						
Assessment Area: District of Columbia						
Tract Income Level	% of Multifamily Units	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	23.0	34.8	2	66.7	6,700	48.4
2017	23.7	--	3	42.9	6,974	36.3
Moderate						
2016	36.5	29.0	1	33.3	7,150	51.6
2017	27.6	--	1	14.3	548	2.9
Middle						
2016	21.0	14.3	0	0.0	0	0.0
2017	23.2	--	3	42.9	11,702	60.9
Upper						
2016	19.5	21.9	0	0.0	0	0.0
2017	23.6	--	0	0.0	0	0.0
Not Available						
2016	0.0	0.0	0	0.0	0	0.0
2017	1.9	--	0	0.0	0	0.0
Totals						
2016	100.0	100.0	3	100.0	13,850	100.0
2017	100.0	--	7	100.0	19,224	100.0
Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2017 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0						

Borrower Profile

The distribution of 1-4 family home mortgage loans reflects, given the product lines offered by the institution, poor penetration among retail customers of different income levels. Examiners focused on the percentage of 1-4 family home mortgage loans by number to low- and moderate-income borrowers and on 2016 aggregate data. Examiners did not analyze multifamily home mortgage lending in this criteria, as borrower income information is not obtained or reported for multifamily loans.

1-4 Family Loans

The distribution of 1-4 family home mortgage loans to individuals of different income levels reflects poor penetration. Amalgamated did not originate any 1-4 family home mortgage loans to low-income borrowers. A low-income family in the District of Columbia assessment area, with an income less than \$56,500, would not likely qualify for a mortgage under conventional underwriting standards, especially considering the median housing value of \$407,860. Therefore, the demand and opportunity for lending to low-income families is limited.

Amalgamated's lending to moderate-income borrowers, at 6.5 percent, is below aggregate data of 17.2 percent and below the 18.6 percent of families of this income level. In 2017, the bank originated one home mortgage loan to a low-income borrower and one to a moderate-income borrower. Overall, the comparisons to aggregate and demographics, as well as the trend between 2016 and 2017, reflect poor performance.

Distribution of 1-4 Family Home Mortgage Loans by Borrower Income Level						
Assessment Area: District of Columbia						
Borrower Income Level	% of Families	Aggregate Performance % of #	#	%	\$(000s)	%
Low						
2016	25.8	7.8	0	0.0	0	0.0
2017	26.6	--	1	5.3	200	1.7
Moderate						
2016	18.6	17.2	2	6.5	200	1.1
2017	17.6	--	1	5.3	230	2.0
Middle						
2016	20.4	19.7	6	19.4	2,324	13.2
2017	19.4	--	5	26.3	1,803	15.8
Upper						
2016	35.2	32.7	20	64.5	12,774	72.6
2017	36.4	--	12	63.2	9,213	80.5
Not Available						
2016	0.0	22.7	3	9.7	2,288	13.0
2017	0.0	--	0	0.0	0	0.0
Totals						
2016	100.0	100.0	31	100.0	17,586	100.0
2017	100.0	--	19	100.0	11,446	100.0
Source: 2010 U.S. Census & 2015 ACS Census; 1/1/2016 - 12/31/2017 Bank Data, 2016 HMDA Aggregate Data, "--" data not available. Due to rounding, totals may not equal 100.0						

Innovative and Flexible Lending

The bank makes limited use of innovative and flexible lending programs in order to serve assessment area credit needs. As stated previously, Amalgamated originated 34 loans totaling \$9.5 million using innovative and flexible loan programs. The bank originated two loans totaling \$641,750 in the District of Columbia assessment area. Described below are the two innovative and flexible lending programs offered within the District of Columbia assessment area.

First-Time Home Buyers Product – Introduced in 2015, this is a mortgage product that includes a low down payment of 5 percent, 100 percent of which can come from a grant. Since the previous evaluation, Amalgamated did not originate any loans under this program within the District of Columbia assessment area.

First Home First Priority Product – Introduced in 2016, this is a mortgage product targeted to low- and moderate-income borrowers. Borrowers’ income must be at or below 80 percent of area median family income or property must be located in a low- or moderate-income census tract. Features include a low down payment of five percent, 100 percent of which can come from a grant. Borrowers receive a 0.5 percent rate discount on Amalgamated’s First-Time Home Buyers’ fixed- and adjustable-rate mortgages. Since the previous evaluation, Amalgamated originated two loans totaling \$641,750 under this program within the District of Columbia assessment area.

Community Development Lending

Amalgamated has made a relatively high level of community development loans. As stated previously, Amalgamated originated 66 community development loans totaling \$376.5 million during the review period. The bank originated 11 community development loans totaling \$32.4 million within the District of Columbia assessment area.

Community Development Loans												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
2015	1	4,875	0	0	1	3,150	0	0	0	0	2	8,025
2016	2	6,700	0	0	0	0	0	0	0	0	2	6,700
2017	6	16,659	1	1,000	0	0	0	0	0	0	7	17,659
Total	9	28,234	1	1,000	1	3,150	0	0	0	0	11	32,384
<i>Source: Bank Records</i>												

The following is a sample of the community development loans originated by the bank during the review period.

Affordable Housing

- Amalgamated originated nine multifamily or mixed-use property loans totaling \$28.2 million for properties that provide affordable housing to assessment area residents. All of these properties qualify as affordable housing based on the rents charged in each building. In addition, each of the properties is located in a low- or moderate-income census tract.

Community Services

- In 2017, Amalgamated originated a \$1 million line of credit to a nonprofit organization to provide working capital liquidity. The organization’s focus areas include jobs and wages, immigration, retirement security, affordable housing, racial justice, and barriers to employment for formerly incarcerated individuals.

Economic Development

- In 2015, Amalgamated refinanced debt totaling \$3.2 million for a real estate developer and investor, including debt related to a commercial building obtained through the SBA 504 Loan Program. The SBA Loan Program provides approved small businesses with long-term, fixed-rate financing used to acquire fixed assets for expansion or modernization. Borrowers eligible for SBA 504 loans must meet at least one goal related to job creation, public policy, or community development through their expansion project. The loans are made available through Certified Development Companies, SBA's community based partners for providing 504 Loans. Until the SBA direct loan funds, the interim financing is an integral part of the project due to the unique nature of the SBA direct loan. Both the permanent and interim loans promote economic development by financing businesses that meet the size standards of the SBA's Development Company programs.

INVESTMENT TEST

Investment Activity

Amalgamated has a significant level of qualified community development investment and grants. As stated previously, Amalgamated had qualified investments and grants totaling \$59.6 million during the review period. This total includes investments of \$14.1 million and 23 donations or grants totaling \$183,526 within the District of Columbia assessment area.

Qualified Investments												
Activity Year	Affordable Housing		Community Services		Economic Development		Revitalize or Stabilize		Neighborhood Stabilization		Totals	
	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)	#	\$(000s)
Prior Period	0	0	0	0	10	8,550	0	0	0	0	10	8,550
2015	0	0	0	0	0	0	0	0	0	0	0	0
2016	1	500	0	0	1	1,000	0	0	0	0	2	1,500
2017	1	4,000	0	0	0	0	0	0	0	0	1	4,000
Subtotal	2	4,500	0	0	11	9,550	0	0	0	0	13	14,050
Qualified Grants & Donations	1	1	19	171	3	12	0	0	0	0	23	184
Total	3	4,501	19	171	14	9,562	0	0	0	0	36	14,234
<i>Source: Bank Records</i>												

New Investments

- In 2016, Amalgamated purchased a \$500,000 multifamily mortgage-backed security collateralized by 140 apartment units located in a moderate-income census tract in Prince George's County. Approximately 30 percent of the units are set aside for tenants with household income at or below 50 percent of the area median income, and 70 percent of the units are set aside for tenants with household income at or below 60 percent of the area median income.
- In 2017, Amalgamated purchased a \$4.0 million multifamily mortgage-backed security

collateralized by 1,689 apartment affordable units located in an upper-income census tract in Prince George's County. A majority of the units are designated for low-income individuals and families.

- In 2016, Amalgamated invested \$1 million in the Partners for the Common Good (PCG). PCG is a Community Development Financial Institution (CDFI) that offers Community Development Notes that pay investors a below-market rate of interest. The assets from the Community Development Notes are placed as investments in community-based organizations that facilitate the provision of low-income housing, economic development, and critical community services in distressed urban and rural communities in the District of Columbia assessment area.

Outstanding Investments

- Between 1999 and 2007, Amalgamated made nine investments in the Access Capital Community Investment Fund. This organization invests in geographically specific debt securities located in portions of the U.S. designated by fund investors. The fund seeks to achieve its investment objective by investing primarily in debt securities designed to support underlying economic activities such as affordable housing, education, small business lending, and job creating activities. The fund's current book value is approximately \$13.0 million, of which approximately \$4.5 million is allocated to the District of Columbia assessment area.
- In 2010, Amalgamated invested \$4.0 million with the Solomon Hess Capital Management (SHCM). SHCM provides domestic banks with CRA eligible investments through the purchase of SBA 7(a), 504 and USDA small business loans. The firm provides targeted community investment opportunities by acquiring guaranteed portions of SBA 7(a) loans where the underlying small business is either located in a low- or moderate-income census tract, is located in a CDFI Qualified Investment census tract, or provides opportunities or services to low- and moderate-income individuals within the assessment area. The investment is secured by 15 loans, of which, 14 are located in a CDFI Fund Qualified Investment census tract and one business supports permanent job creation, retention, and/or improvement for individuals who are currently low- or moderate-income.

Grants and Donations

Amalgamated provided 23 grants and donations totaling \$183,526 to organizations that benefit the District of Columbia assessment area. The following are examples of qualified donations.

- Bread for the City – Amalgamated donated approximately \$12,856 to this nonprofit organization that provides low-income residents of the District of Columbia food, clothing, medical care, and legal and social services.
- Center for Community Change – Amalgamated donated approximately \$45,000 to this organization that provides essential services to low-income individuals.
- Martha's Table – In 2016 and 2018, Amalgamated donated a total of \$75,000 to this

nonprofit organization that works to support stronger children, stronger families, and stronger communities by increasing access to quality education programs, food access programs, and community support services. This donation provides community services targeted to low- and moderate-income individuals.

- Washington Area Community Investment Fund – In 2015, Amalgamated donated \$5,000 to this nonprofit community loan fund dedicated to supporting underserved communities in the District of Columbia by providing flexible loans, consulting and training workshops to community-minded entrepreneurs committed to starting and building locally-owned small businesses and organizations. This donation promotes economic development.
- Working America Education Fund – In 2017, Amalgamated donated \$20,000 to this fund that focuses on fostering good jobs for working class individuals, a fair economy, and a democracy where the voices of working people count more than the money of large corporate interests. The fund supports grassroots community education to defend rights and opportunities for all working families. It also develops educational materials on state-specific issues such as public education, family and medical leave, and an analysis of who wins and who loses under various budget and revenue policies. In addition, the fund supports: online education on workers' issues, including rights on the job and corporate accountability; and strategic research for institutions, organizers and activities to promote good jobs, fair trade, and a healthy and just economy. This donation provides community services targeted to low- and moderate-income individuals.

Responsiveness to Credit and Community Development Needs

Amalgamated exhibits good responsiveness to credit and community economic development needs. Qualified investments and grants are responsive to existing assessment area credit needs by supporting affordable housing.

Innovativeness or Complexity of Qualified Investments

The bank rarely uses innovative and/or complex investments to support community development initiatives. Amalgamated's existing and new investments primarily include mortgage-backed securities (MBSs). Although MBS investments help promote affordable housing, they are not innovative or complex.

SERVICE TEST

Accessibility of Delivery Systems

Delivery systems are reasonably accessible to essentially all portions of the institution's assessment area. Amalgamated serves the District of Columbia assessment area with 1 full service branch located in a moderate-income census tract. The bank offers alternative delivery systems such as ATMs, as well as online banking, direct deposit, remote deposit, and telephone banking, to increase accessibility of retail banking services.

Changes in Branch Locations

The bank has not opened, closed, or relocated any branch locations within the District of Columbia assessment area during the review period.

Reasonableness of Business Hours and Services

Business hours and services do not vary in a way that inconveniences certain portions of the District of Columbia assessment area, particularly low- and moderate-income geographies and/or individuals. Operating hours and services at the Washington DC branch reflect the needs of the local community. The branch is open from 9:00 AM to 5:00 PM, Monday through Friday. The branch also offers an ATM.

Community Development Services

Amalgamated provides an adequate level of community development services in the District of Columbia assessment area. The activities largely involve financial literacy and first-time homebuyer education and technical expertise through Board and committee memberships. During the review period, bank representatives provided 20 instances of qualified community development services. The following table illustrates each year a bank employee or Board member provided financial education or served as a Board/committee member for a community development organization.

Community Development Services						
Activity Year	Affordable Housing	Community Services	Economic Development	Revitalize or Stabilize	Neighborhood Stabilization	Totals
	#	#	#	#	#	#
2015	0	1	0	0	0	1
2016	1	3	0	0	0	4
2017	1	14	0	0	0	15
Total	2	18	0	0	0	20
Source: Bank Records						

Financial Literacy Workshops – During the evaluation period, Amalgamated provided over ten financial literacy or first-time homebuyers workshops within the District of Columbia assessment area. These workshops were held at various neighborhoods or local nonprofit organizations in low- and moderate-income geographies and primarily to low- and moderate-income area residents

Board of Director/Committee Involvement – In seven instances, bank officers, employees, and Board members also offered their technical expertise through Board of Director and committee involvement with four community development organizations within the District of Columbia assessment area. All examples listed below provide community services targeted to low- and moderate-income individuals.

- Center for Law & Social Policy (CLASP) – A bank employee serves on the Audit and Advisory Committee of this national non-profit organization that works to improve the lives of low-income people. CLASP’s mission is to improve the economic security, educational and workforce prospects, and family stability of low-income parents, children, and youth and to secure equal justice for all.
- District of Columbia Employment Justice Center – The President and Chief Executive Officer serves as a Board Member of this organization that advocates for low-wage workers in all employment-related cases including unpaid wages, overtime, sexual harassment, termination, discrimination, workers' compensation, family and medical leave, pension benefits, as well as criminal records.
- Interfaith Works – A bank employee provides job readiness seminars for this nonprofit agency that works with Montgomery County individuals and families in crisis to help lift themselves from poverty and homelessness through prevention, stabilization, and empowerment programs.
- Phyllis Wheatley YMCA – A bank employee serves as an Advisory Board Member of this community-focused nonprofit organization located in a moderate-income census tract. The organization operates an independent living facility that houses low-income, formerly homeless women. Residents have the opportunity to engage in community programming and to receive on-site support services. This organization provides community services targeted to low- and moderate-income individuals.

Other Community Development Services – Amalgamated also offers “Restart Checking” account, a low-cost deposit account, which improves access to financial services, or decreases costs, for low-or moderate-income individuals, within the District of Columbia assessment area.

APPENDIX

SCOPE OF EVALUATION

SCOPE OF EVALUATION			
TIME PERIOD REVIEWED	11/17/2014-01/22/2018		
FINANCIAL INSTITUTION	PRODUCTS REVIEWED		
Amalgamated Bank	Home mortgage, small business, and community development loans; investments and grants; retail and community development services.		
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
NA	NA		NA

LIST OF ASSESSMENT AREAS AND TYPE OF EVALUATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
New York	Full-Scope	1	NA
District of Columbia	Full-Scope	0	NA

SUMMARY OF STATE AND MULTISTATE METROPOLITAN AREA RATINGS

State or Multistate Metropolitan Area Name	Lending Test Rating	Investment Test Rating	Service Test Rating	Overall State Rating
New York	Low Satisfactory	High Satisfactory	High Satisfactory	Satisfactory
District of Columbia	Low Satisfactory	High Satisfactory	Low Satisfactory	Satisfactory

GLOSSARY

Aggregate Lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Area Median Income: The median family income for the MSA, if a person or geography is located in an MSA; or the statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment Area: A geographic area delineated by the bank under the requirements of the Community Reinvestment Act.

Census Tract: A small, relatively permanent statistical subdivision of a county or equivalent entity. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. Census tract boundaries generally follow visible and identifiable features, but they may follow nonvisible legal boundaries in some instances. State and county boundaries always are census tract boundaries.

Combined Statistical Area (CSA): A combination of several adjacent metropolitan statistical areas or micropolitan statistical areas or a mix of the two, which are linked by economic ties.

Community Development: For loans, investments, and services to qualify as community development activities, their primary purpose must:

- (1) Support affordable housing for low- and moderate-income individuals;
- (2) Target community services toward low- and moderate-income individuals;
- (3) Promote economic development by financing small businesses or farms;
- (4) Provide activities that revitalize or stabilize low- and moderate-income geographies, designated disaster areas, or distressed or underserved nonmetropolitan middle-income geographies; or
- (5) Enable or facilitate projects or activities that address needs regarding foreclosed or abandoned residential properties in designated target areas.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity type of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community. Bank CDCs are also tailored to their financial and marketing needs. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit low- and moderate-income groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or nonprofit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro enterprise funds, and community development venture capital funds.

A certified CDFI must meet eligibility requirements. These requirements include the following:

- Having a primary mission of promoting community development;
- Serving an investment area or target population;
- Providing development services;
- Maintaining accountability to residents of its investment area or targeted population through representation on its governing board of directors, or by other means;
- Not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Community Development Loan: A loan that

- (1) Has as its primary purpose community development; and
- (2) Except in the case of a wholesale or limited purpose bank:
 - (i) Has not been reported or collected by the bank or an affiliate for consideration in the bank's assessment area as a home mortgage, small business, small farm, or consumer loan, unless it is a multifamily dwelling loan (as described in Appendix A to Part 203 of this title); and
 - (ii) Benefits the bank's assessment area(s) or a broader statewide or regional area including the bank's assessment area(s).

Community Development Service: A service that

- (1) Has as its primary purpose community development;
- (2) Is related to the provision of financial services; and
- (3) Has not been considered in the evaluation of the bank's retail banking services under § 345.24(d).

Consumer Loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Core Based Statistical Area (CBSA): The county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core. Metropolitan and Micropolitan Statistical Areas are the two categories of CBSAs.

Distressed Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as distressed if it is in a county that meets one or more of the following triggers:

- (1) An unemployment rate of at least 1.5 times the national average;
- (2) A poverty rate of 20 percent or more; or
- (3) A population loss of 10 percent or more between the previous and most recent decennial census or a net migration loss of 5 percent or more over the 5-year period preceding the most recent census.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family. Other family is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Family Income: Includes the income of all members of a family that are age 15 and older.

FFIEC-Estimated Income Data: The Federal Financial Institutions Examination Council (FFIEC) issues annual estimates which update median family income from the metropolitan and nonmetropolitan areas. The FFIEC uses American Community Survey data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Full-Scope Review: A full-scope review is accomplished when examiners complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower profile, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applicants; the amount of loan requested; and the disposition of the application (approved, denied, and withdrawn).

Home Mortgage Disclosure Loan Application Register (HMDA LAR): The HMDA LARs record all applications received for residential purchase, refinance, home improvement, and temporary-to-permanent construction loans.

Home Mortgage Loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans to purchase manufactured homes, and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Household Income: Includes the income of the householder and all other persons that are age 15 and older in the household, whether related to the householder or not. Because many households are only one person, median household income is usually less than median family income.

Housing Unit: Includes a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied as separate living quarters.

Limited-Scope Review: A limited scope review is accomplished when examiners do not complete all applicable interagency examination procedures for an assessment area. Performance under applicable tests is often analyzed using only quantitative factors (for example, geographic distribution, borrower profile, total number and dollar amount of investments, and branch distribution).

Low-Income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a geography.

Low Income Housing Tax Credit: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended. It is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department distributes low-income housing tax credits to housing credit agencies through the Internal Revenue Service. The housing agencies allocate tax credits on a competitive basis.

Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits. Or, they may sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for ten consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains throughout the compliance period, usually 30 years.

Market Share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and other having incomes below the median.

Metropolitan Division (MD): A county or group of counties within a CBSA that contain(s) an urbanized area with a population of at least 2.5 million. A MD is one or more main/secondary counties representing an employment center or centers, plus adjacent counties associated with the main/secondary county or counties through commuting ties.

Metropolitan Statistical Area (MSA): CBSA associated with at least one urbanized area having a population of at least 50,000. The MSA comprises the central county or counties or equivalent entities containing the core, plus adjacent outlying counties having a high degree of social and economic integration with the central county or counties as measured through commuting.

Micropolitan Statistical Area: CBSA associated with at least one urbanized area having a population of at least 10,000, but less than 50,000.

Middle-Income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 and less than 120 percent in the case of a geography.

Moderate-Income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 and less than 80 percent in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan Area: All areas outside of metropolitan areas. The definition of nonmetropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies. For example, there is generally urban and rural territory within metropolitan and nonmetropolitan areas.

Owner-Occupied Units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: A lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated Area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Rural Area: Territories, populations, and housing units that are not classified as urban.

Small Business Investment Company (SBIC): SBICs are privately-owned investment companies which are licensed and regulated by the Small Business Administration (SBA). SBICs provide long-term loans and/or venture capital to small firms. Because money for venture or risk investments is difficult for small firms to obtain, SBA provides assistance to SBICs to stimulate and supplement the flow of private equity and long-term loan funds to small companies. Venture capitalists participate in the SBIC program to supplement their own private capital with funds borrowed at favorable rates through SBA's guarantee of SBIC debentures. These SBIC debentures are then sold to private investors. An SBIC's success is linked to the growth and profitability of the companies that it finances. Therefore, some SBICs primarily assist businesses with significant growth potential, such as new firms in innovative industries. SBICs finance small firms by providing straight loans and/or equity-type investments. This kind of financing gives them partial ownership of those businesses and the possibility of sharing in the companies' profits as they grow and prosper.

Small Business Loan: A loan included in "loans to small businesses" as defined in the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$1 million or less and are either secured by nonfarm nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: A loan included in "loans to small farms" as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of \$500,000 or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Underserved Middle-Income Nonmetropolitan Geographies: A nonmetropolitan middle-income geography will be designated as underserved if it meets criteria for population size, density, and dispersion indicating the area's population is sufficiently small, thin, and distant from a population center that the tract is likely to have difficulty financing the fixed costs of meeting essential community needs.

Upper-Income: Individual income that is 120 percent or more of the area median income, or a median family income that is 120 percent or more in the case of a geography.

Urban Area: All territories, populations, and housing units in urbanized areas and in places of 2,500 or more persons outside urbanized areas. More specifically, "urban" consists of territory, persons, and housing units in places of 2,500 or more persons incorporated as cities, villages, boroughs (except in Alaska and New York), and towns (except in the New England states, New York, and Wisconsin).

"Urban" excludes the rural portions of "extended cities"; census designated place of 2,500 or more persons; and other territory, incorporated or unincorporated, including in urbanized areas.